

STAND. COM. REP. NO. **2507**

Honolulu, Hawaii

FEB 27 2014

RE: S.B. No. 2482

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2482 entitled:

"A BILL FOR AN ACT RELATING TO ASSOCIATION ALTERNATIVE POWER
OF SALE FORECLOSURE PROCESS,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the
parties that a homeowners association can serve through
publication, after a hearing before a judge, in a nonjudicial
foreclosure proceeding.

Your Committee received testimony in support of this measure
from one individual.

Your Committee finds that under section 667-92, Hawaii
Revised Statutes, an association is required to serve its notice
of default and intention to nonjudicially foreclose on certain
parties. If an association cannot find the unit owner, it may go
to court to ask for permission to serve the owner by publication.
However, section 667-92, Hawaii Revised Statutes, has been
interpreted in some cases to not specifically allow an association
to serve any other potential defendants, such as defunct lenders
or long lost judgment holders, by publication if these entities or
individuals cannot be found. Those in actions prevent the
association's nonjudicial foreclosure from going forward, and the
financial and time saving benefits of the nonjudicial foreclosure
process are lost. This measure addresses that concern by allowing
a judge to approve service of certain other missing defendants by
publication so an association's nonjudicial foreclosure can

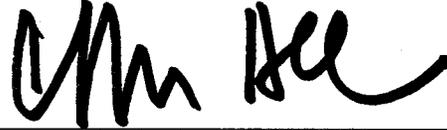
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continue. In doing so, this measure also supports the intent of chapter 667, part VI, Hawaii Revised Statutes, which is to provide associations with a means to foreclose nonjudicially without having to resort to the expensive and time-consuming judicial foreclosure process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2482 and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



